GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:3878
ANSWERED ON:30.04.2007
PAYMENT OF PROVIDENT FUND ARREARS
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether several companies are reportedly not making the payment of Provident Fund arrears to their employees despite repeated reminders;

(b) if so, the details thereof, company-wise and State-wise; and

(c) the action has been taken against these companies?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a) to (c): So far as un-exempted establishments are concerned, the contributions payable by the employer in respect of eligible employees of the establishments is remitted to the Employees` Provident Fund Organisation and payment of Provident Fund to members is made by EPFO in accordance with the provisions of the Employees` Provident Fund Scheme, 1952. However, in respect of exempted establishments, payment of Provident Fund is made to their employees by the Board of Trustees of the exempted establishments.

There are a number of establishments in default of PF dues and the amount of arrears outstanding from 76,958 defaulting establishments was Rs. 2,530.07 crore as on 31.3.2006.

As soon as a default in PF contribution is detected or any complaint regarding non-settlement of claims by the exempted establishment or violation of the provisions of the Employees` Provident Funds & Miscellaneous Provisions Act, 1952 is received, appropriate action is taken by the Organization, which includes:

(i) assessment of dues payable by the defaulting establishment.

(ii) recovery of dues in accordance with the provisions of the Employees` Provident Funds & Miscellaneous Provisions Act, 1952, which includes attachment and sale of properties arrest and detention of defaulters, appointment of receiver to manage the defaulters` properties.

(iii) intervention by the Employees` Provident Fund Organization to get the claims settled in respect of employees of exempted establishment.

(iv) in case of violation of guidelines for grant of exemption, exemption is cancelled and necessary action is taken accordingly.